



LONDON FIRST
(a company limited by guarantee)
Company Registration No. 2756521

Report and Financial Statements

30 September 2015



LONDON FIRST
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2015

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REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND THE ENTITIES THEY REPRESENT

John Allan (Chairman)	Barratt Developments plc
Baroness Jo Valentine (Chief Executive)	London First
Bob Rothenberg (Hon Treasurer)	Blick Rothenberg
Roger Bright	
Des Gunewardena	D&D London
Barrie Hadfield	Workshare
Noel Harwerth	GE
Molly Jackson	Southbank Centre
Prof David Latchman	Birkbeck College
Chet Patel	BT
John Tucker	Linklaters
Peter Vernon	Grosvenor
Stephen Warrington	PricewaterhouseCoopers

COMPANY SECRETARY

Anzo Francis

REGISTERED OFFICE

Middlesex House
34-42 Cleveland Street
London W1T 4JE

BANKERS

Royal Bank of Scotland
London Drummonds Branch
49 Charing Cross Road
London SW1A 2DX

SOLICITORS

Bates Wells & Braithwaite
2-6 Cannon Street
London EC4M 6YH

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
City House
126-130 Hills Road
Cambridge CB2 1RY

LONDON FIRST

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STRATEGIC REPORT

BUSINESS OBJECTIVE

London First is a not for profit business membership organisation that aims to make London the best city in the world to do business. Our Members reflect the diversity of London's economy, representing property, transport, finance, professional services, creative industries, hospitality, retail and higher education. We work in partnership with business leaders from across these sectors to identify and address the core challenges that our capital faces, with the shared goal of strengthening London's global competitiveness. London First employs 38 staff (31 March 2015/34), all in its central London office.

FINANCIAL PERFORMANCE

We have changed the financial year end to 30 September to coincide with our membership year. The usual year-long period of the plan now runs for 18 months, from April 2015 through to September 2016. The company incurred a deficit on unrestricted activities before taxation of £4k for the six months ended 30 September 2015 (year ended 31 March 2015: £304k deficit including exceptional costs relating to the office move).

KPI's

The company's key performance indicators are described below.

The private sector continued to provide strong support for the work of London First with membership subscriptions earned in the six months of £1,988k (year ended 31 March 2015: £3,530k).

The number of staff employed during the six months ended 30 September 2015 was 38 (year ended 31 March 2015/34).

Unrestricted reserves at 30 September 2015 totalled £583k (31 March 2015: £589k).

The activities of the company also include the management of restricted funds relating to a grant from a former subsidiary, Think London, whose work is now undertaken by London & Partners. This is being used to promote London for the benefit of business in the region of London and will continue to affect the overall year end results whilst it distributes grants. Grants paid in the six months ended 30 September 2015 totalled £100k (year ended 31 March 2015: £389k).

REPORT ON ACTIVITIES DURING THE PERIOD

The main external event during the period was the General Election. We moved quickly to react to the Conservative party winning the election, and to the subsequent election of a new Labour leader. We met with, and briefed members of the Cabinet and the new opposition, and ran our annual London dinners at party conferences.

With the new Parliament we have renewed our efforts to get a decision on airports, visiting the SNP conference and fundraising a further £70k to date for Let Britain Fly. We are lobbying jointly with the Mayor's office on getting an infrastructure spending settlement for London commensurate with our population growth. We remain concerned about immigration rhetoric and we released our report into the net economic benefit of international students during the period. We consulted members about the referendum on our membership of the European Union, who were overwhelmingly in favour of staying in and negotiating from within. We are preparing activity accordingly.

In June we launched the Global Cities Business Alliance which seeks to encourage exchange of best practice between business and cities dealing with global urbanisation. In addition, the Totally Thames event took place during September, celebrating the Thames and partly funded by our Think London legacy fund.

We continued to prepare for the Mayoral election. We are talking to all major candidates as well as briefing their teams. In particular, we are encouraging them to adopt our Economic Development Agenda for London and to match rhetoric with reality when it comes to building 50,000 homes a year. We released two housing reports in the period, one on how to ensure local authorities meet their borough house building targets and the other on the need for more dense housebuilding.

Media coverage remained high over the period, exceeding target.

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STRATEGIC REPORT

FUTURE PROSPECTS

London First is now in the third year of its 2020 Business Plan. This plan seeks to increase member engagement, to enhance our international awareness and above all to focus on a few priority areas at any one time. It also provides flexibility to react fast to unexpected external events. Alongside our priorities, we keep a permanent eye on a set of “drivers” of London’s competitiveness. Our nine ‘drivers’ include increasing aviation capacity, sponsoring an economic development agenda for London, a positive relationship with the rest of Europe, increasing house building, investment in infrastructure, a built environment, planning and development to support London’s growth, access to a skilled workforce, competitive tax rates and devolution of powers and funding.

The updated plan for 2015/16 continues to address the key drivers of London’s competitiveness. The main external event in the period is the Mayoral election in May 2016, plus preparation for the European referendum.

Our priorities for 2015/16 are as follows:

- Campaigning to achieve a step change in annual new housing build, to 50,000 homes a year in London at the end of the next mayoral term (2020),
- Mobilising the business community and working across sectors to achieve a London vote to stay in the EU, and
- Preparing for the mayoral election and the first 100 days of the next mayor’s term, by pulling together and advancing business priorities for the new mayor.

In addition, London First is building on the successful June 2015 launch of the Global Cities Business Alliance. The alliance will share best practice between cities and businesses around the world.

We will continue to champion London being “open for business”, keeping a watchful eye on immigration policy and supporting the Let Britain Fly campaign in its aims to get a parliamentary vote on airport expansion.

GOVERNANCE, SUBSIDIARIES AND FORMER SUBSIDIARIES

The Board is supported in its management of the company by four committees covering nominations, remuneration, finance and the use of the grant from Think London.

London First has one wholly owned subsidiary, Skills Festival Company Limited. The principal activity of Skills Festival Company is to run ‘Skills London’, one of the UK’s biggest youth jobs and training events. The next Skills London event will be held at ExCel in November 2015 with a target to attract 30,000 15 - 24 year olds over two days. The event is being run in partnership with Prospects Services Ltd.

RESERVES

Overall reserves totalled £932k at 30 September 2015 (31 March 2015 - £1,037k). £349k of this relates to the balance of grant from Think London and restricted reserves (31 March 2015 - £448k). Unrestricted reserves totalled £583k (31 March 2015 - £589k).

The Board has a policy of seeking to achieve a level of unrestricted reserves sufficient to cover six months’ salary and office accommodation costs, to guard against unforeseen circumstances. Some progress has been made in recent years in increasing reserves towards the target. However, the Finance Committee has taken the view that for the time being they are comfortable with a lower level of reserves while we build the business model to align with the ambitions of the 2020 business plan. The level of cover, including the reserves of Skills Festival Company, was the equivalent of approximately three months’ costs at 30 September 2015.

FINANCIAL INSTRUMENTS

London First does not have any financial instruments other than cash, short term debtors and creditors. Cash balances are held with the Royal Bank of Scotland and the Nationwide Building Society and earn competitive rates of interest.

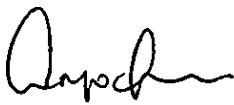
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STRATEGIC REPORT

RISK MANAGEMENT

A review of risk management and insurances is undertaken by the Finance Committee prior to submission to the Board for approval each year. The review outlines high end risks faced by the organisation, which includes those relating to membership, income, corporate reputation, projects and the actions that would be taken in mitigation.

Approved by the Board of Directors and signed on behalf of the Board



Anzo Francis
Company Secretary
REGISTERED OFFICE
Middlesex House
34-42 Cleveland Street
London, W1T 4JE

Date 5 November 2015

LONDON FIRST
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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the six months ended 30 September 2015

GOING CONCERN

The directors are confident that the company has adequate reserves and resources to continue operations for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 'Accounting Policies' in the financial statements.

MEMBERS AND GUARANTORS

Members of London First are those organisations which pay ordinary contributions to fund the core expenditure of the company, or companies which are given honorary membership status. Members are guarantors of the company in the event of a winding up, with liability limited to £100 per member, and have voting rights at general meetings. At 30 September 2015, there were 209 guarantors on the register of members (31 March 2015 - 212).

DIRECTORS

A list of current directors who have served during the period is set out on page 1. The following directors and the entities they represent also served during the year up until the date of their resignations below:

Paul Spanswick (resigned 16 September 2015)	Nomura
Andrew Murphy (resigned 16 September 2015)	John Lewis

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Anzo Francis
Company Secretary
REGISTERED OFFICE
Middlesex House
34-42 Cleveland Street
London, W1T 4JE

Date 5 November 2015

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DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON FIRST

We have audited the financial statements of London First for the six months ended 30 September 2015 which comprise the income and expenditure account, the balance sheet, the statement of changes in accumulated reserves, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its deficit for the six months then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON FIRST (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



William Crane (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

10 November 2015

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INCOME AND EXPENDITURE ACCOUNT
Six months ended 30 September 2015

	Note	General £'000	Restricted funds £'000	Total six months ended 30 September 2015 £'000	Total year ended 31 March 2015 £'000
INCOME					
Members' subscriptions		1,988	-	1,988	3,530
Project and sundry income		439	-	439	1,291
		<u>2,427</u>	<u>-</u>	<u>2,427</u>	<u>4,821</u>
EXPENDITURE					
Salaries	3	1,483	-	1,483	3,154
Consultancy fees		91	-	91	392
Grants		-	100	100	389
Depreciation	7	56	-	56	112
Rent and rates		189	-	189	362
Operating expenses		620	-	620	1,132
		<u>2,439</u>	<u>100</u>	<u>2,539</u>	<u>5,541</u>
OPERATING DEFICIT BEFORE INTEREST AND TAXATION					
	4	(12)	(100)	(112)	(720)
Interest receivable		<u>8</u>	<u>1</u>	<u>9</u>	<u>27</u>
DEFICIT BEFORE TAXATION					
		(4)	(99)	(103)	(693)
Taxation	6	<u>(2)</u>	<u>-</u>	<u>(2)</u>	<u>(61)</u>
DEFICIT AFTER TAXATION					
	12	<u>(6)</u>	<u>(99)</u>	<u>(105)</u>	<u>(754)</u>

All activities derive from continuing operations

The income and expenditure account includes all gains or losses recognised in the period and the deficit for the period represents the only movement in reserves. As a result, no statement of comprehensive income is presented.

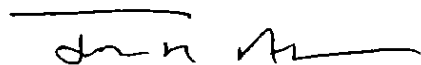
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BALANCE SHEET
30 September 2015

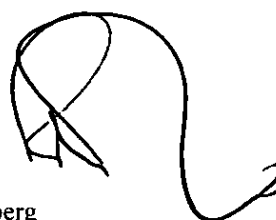
	Note	30 September 2015 £'000	31 March 2015 £'000
FIXED ASSETS			
Tangible assets	7	371	422
Investments	8	-	-
		<u>371</u>	<u>422</u>
CURRENT ASSETS			
Debtors	9	3,875	808
Investments	10	1,763	2,163
Cash at bank and in hand		711	807
		<u>6,349</u>	<u>3,778</u>
CREDITORS: amounts falling due within one year	11	<u>(5,788)</u>	<u>(3,163)</u>
NET CURRENT ASSETS		<u>561</u>	<u>615</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>932</u>	<u>1,037</u>
REPRESENTED BY:			
Accumulated surpluses	12		
Restricted		349	448
Unrestricted		583	589
		<u>932</u>	<u>1,037</u>

The financial statements of London First, registered number 2756521, were approved by the Board of Directors and authorised for issue on 5 November 2015

Signed on behalf of the Board of Directors



John Allan
Director



Bob Rothenberg
Director

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STATEMENT OF CHANGES IN ACCUMULATED RESERVES
30 September 2015

	Restricted £'000	Unrestricted £'000	Total £'000
At 31 March 2014 as previously stated	827	1,016	1,843
Changes on transition to FRS 102 (see note 15)	-	(52)	(52)
At 1 April 2014 as restated	827	964	1,791
Deficit for the financial year	(379)	(375)	(754)
At 31 March 2015	448	589	1,037
Deficit for the financial period	(99)	(6)	(105)
At 30 September 2015	349	583	932

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CASH FLOW STATEMENT
Six months ended 30 September 2015

	Note	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
Net cash outflow from operating activities	A	(500)	(746)
Returns on investments and servicing of finance			
Interest received		9	27
Taxation			
Corporation tax paid		-	(7)
Capital expenditure and financial investment payment to acquire tangible fixed assets		(5)	(534)
Decrease in cash in the period	B	<u>(496)</u>	<u>(1,260)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Decrease in cash in the period		<u>(496)</u>	<u>(1,260)</u>
Change in net funds resulting from cash flows		(496)	(1,260)
Net funds at beginning of the period		<u>2,970</u>	<u>4,230</u>
Net funds at the end of the period	B	<u>2,474</u>	<u>2,970</u>

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NOTES TO THE CASH FLOW STATEMENT
Six months ended 30 September 2015

A) RECONCILIATION OF DEFICIT ON OPERATIONS BEFORE INTEREST AND TAXATION TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
Deficit on operations before interest and taxation	(112)	(720)
Depreciation	56	112
Increase in debtors	(3,067)	(383)
Increase in creditors	2,623	245
Net cash outflow from operating activities	<u>(500)</u>	<u>(746)</u>

B) MOVEMENT IN NET FUNDS

	At 1 April 2015 £'000	Cash outflow £'000	At 30 September 2015 £'000
Cash at bank and in hand	807	(96)	711
Current asset investments	2,163	(400)	1,763
	<u>2,970</u>	<u>(496)</u>	<u>2,474</u>

	At 1 April 2014 £'000	Cash (outflow)/ inflow £'000	At 31 March 2015 £'000
Cash at bank and in hand	4,230	(3,423)	807
Current asset investments	-	2,163	2,163
	<u>4,230</u>	<u>(1,260)</u>	<u>2,970</u>

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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

General information and basis of accounting

The company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention (except for the valuation of donations in kind and donated fixed assets), modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current period. For more information see note 15.

The company does not seek to make a profit, nor can its achievements be measured by commercial criteria alone. In order that a true and fair view can be given in these accounts the directors have set out on page 9 an Income and Expenditure Account which show the results for the period, but in a format other than as prescribed in the Companies Act 2006. In the opinion of the directors, this format more closely reflects the nature of the company's activities and discloses in sufficient detail information related thereto.

Group accounts

Group accounts have not been prepared as the group qualifies as a small sized group.

Going concern

The directors are confident that the company has adequate reserves and resources to continue operations for the foreseeable future and is well placed to manage its business risks successfully despite the current economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Income

Income is apportioned to financial periods based on the period to which the income relates. Income received for specific projects is accounted for as deferred income until spent or projects are completed.

Government grants, sundry income and bank deposit interest are recognised on a receivable basis.

Those donations in kind that can be quantified are valued by the directors at a reasonable estimate of their value to the company and are credited to income when received. There are certain other donations in kind which have also been gratefully received but as they cannot be readily quantified they have not been included in income.

Fund accounting

Income received for specified purposes is considered to be restricted and may only be applied for those purposes. Income which may be applied to any of the company's purposes is treated as totally unrestricted unless it has been designated by the directors for specific purposes.

Expenditure

Expenditure (excluding grants) is accounted for on an accruals basis, and includes donated staff and services. Grants to subsidiaries are accounted for on an annual basis, and are based on the need to support the activities of the subsidiaries.

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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition

Tangible fixed assets donated to the company are valued by the directors at a reasonable estimate of their value to the company

Provision for depreciation is made so as to write off the cost or valuation of tangible fixed assets, less any residual value, on a straight line basis over the expected useful economic lives of the assets concerned. A full year's depreciation is charged in the year of purchase, and none in the year of disposal.

The annual rates used for this purpose are

Computer equipment	33 1/3%
Equipment, fixtures and fittings	20%

Leases

Payments under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Investments

No amounts are recorded in respect of the company's interests in subsidiaries and other investments since all investee companies are limited by guarantee and, therefore, have no share capital.

Pension costs

The company contributes to a defined contribution scheme. The amount charged to the income and expenditure account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Tax is not charged on the surplus except rental income, bank interest received and the premium received on surrender of the former office lease, as the company is not run to make profits. Tax on profits from the letting of office space, interest receivable and the premium received on surrender of the former office lease is charged at the corporation tax rate of 20% (year ended 31 March 2015 - 20%).

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

LONDON FIRST
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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements

Bad debts

The Finance Committee review all debtors that are included in the balance sheet on an individual basis and assess whether any bad debt provision should be made. In general terms, a bad debt provision is made for all membership debtors that are more than 90 days old unless the Committee is satisfied that there is sufficient evidence that the invoice will be paid. The Committee takes a cautious approach in income recognition.

3. EXPENDITURE

	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
Salaries	1,483	3,154
Consultancy fees	91	392
Grants	100	389
Depreciation	56	112
Rent and rates	189	362
Operating costs	530	984
Travel, subsistence and entertaining	34	50
Publications	56	98
Expenditure	2,539	5,541

4. OPERATING DEFICIT

	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
The results are stated after charging/(crediting):		
Rental income	-	(20)
Operating lease rentals		
Land and buildings	127	362
Depreciation	56	112
Auditor's remuneration		
- audit	9	13
- tax	3	3
- other services	-	61

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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company employed salaried persons and benefited from additional voluntary and seconded staff

	Six months ended 30 September 2015 No.	Year ended 31 March 2015 No.
The average number of employees employed, including seconded staff, on core activities throughout the period was	38	34
	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
Wages and salaries	1,308	2,766
Employer's national insurance contributions	152	319
Pension scheme costs	23	42
Temporary staff	-	16
	1,483	3,143

The total director's emoluments, being the highest paid director, for the period were £140k (year ended 31 March 2015 - £275k), and pension contributions were £nil (year ended 31 March 2015 - £nil). Non-executive directors do not receive any remuneration or expenses

6. TAXATION

	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
United Kingdom corporation tax at 20% (Year ended 31 March 2015 - 20%)	2	61
Deficit before taxation	(103)	(693)
Tax charge on deficit before tax at 20% (Year ended 31 March 2015 - 20%)	(20)	(137)
Factors affecting tax charge for the year:		
Amounts exempt from tax	22	198
Total actual amount of current tax	2	61

LONDON FIRST
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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

7. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 April 2015	101	487	588
Additions	5	-	5
At 30 September 2015	106	487	593
Accumulated depreciation			
At 1 April 2015	70	96	166
Charge for the period	8	48	56
At 30 September 2015	78	144	222
Net book value			
At 30 September 2015	28	343	371
At 31 March 2015	31	391	422

8. INVESTMENTS: SUBSIDIARY UNDERTAKING

Skills Festival Company, a company limited by guarantee, was incorporated on 31 October 2003 in England and Wales with the company as its sole member. London First, as its sole member, cannot benefit financially from this investment as the constitution of Skills Festival Company debars it from making any form of distribution to its members.

In November 2015, the Skills Festival Company will hold its annual Skills London event and will do so annually going forward. The Mayor of London committed to provide funding for the event for three years starting in 2013.

Extracts from the unaudited management accounts of Skills Festival Company to 30 September 2015 are

	Six months ended 30 September 2015 £'000	Year ended 31 March 2015 £'000
Turnover	628	730
Less expenditure	(257)	(745)
Surplus/(deficit) on normal activities	371	(15)
Accumulated surplus	356	443

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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

9. DEBTORS

	30	31
	September	March
	2015	2015
	£'000	£'000
Amounts falling due within one year		
Membership debtors	3,594	187
Project and other debtors	171	446
Staff loans	8	17
Other debtors	7	57
Prepayments and accrued income	95	101
	<u>3,875</u>	<u>808</u>

10. CURRENT ASSET INVESTMENTS

Surplus cash balances are invested in short term deposits with a major UK bank

	30	31
	September	March
	2015	2015
	£'000	£'000
Short term deposits	<u>1,763</u>	<u>2,163</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30	31
	September	March
	2015	2015
	£'000	£'000
Trade creditors	100	75
Amounts owed to Skills Festival Company	225	231
Corporation tax	66	64
Other taxation and social security	842	66
Accruals and deferred income	4,555	2,727
	<u>5,788</u>	<u>3,163</u>

12. ACCUMULATED SURPLUSES

Restricted reserves represent funds which must be used to promote London for the benefit of business in the region of London in accordance with the objects of the former Think London. Unrestricted reserves are maintained to guard against unforeseen circumstances.

LONDON FIRST
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NOTES TO THE FINANCIAL STATEMENTS
Six months ended 30 September 2015

13. FINANCIAL COMMITMENTS

There were no capital commitments at the period end (31 March 2015 - £nil)

The company was committed to making the following payments during its next year in respect of operating leases

	Land and buildings	
	30	31
	September	March
	2015	2015
	£'000	£'000
Leases which expire		
Within one year	137	137
Between one and five years	1,096	1,096
After five years	548	822
	<u>1,781</u>	<u>2,055</u>

14. RELATED PARTY TRANSACTIONS

During the six months to 30 September 2015 the company invoiced Skills Festival Company (subsidiary) £33k (year ended 31 March 2015 - £161k) to cover administrative costs and charges relating to the Skills London event in November 2015

15. EXPLANATION OF TRANSITION TO FRS 102

This is the first period that the company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council. The following disclosure is required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS102 was therefore 1 April 2015. As a consequence of adopting FRS102, the accounting policy in respect of holiday pay has changed to comply and is to accrue for any holiday balances not taken at the end of the period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence. The holiday year runs from January to December.

At 31 March 2014 the accrual for holiday balances not taken would have been £51,525 and this figure has been increased by £11,768 to £63,293 in the year to 31 March 2015. These amounts are included in the restated figures for 31 March 2015. The accrual has been further increased at 30 September 2015 by £1,739 to give a total accrual of £65,032.

The reconciliation of opening reserves is disclosed in statement of changes in accumulated reserves on page 11.